

Amendment No. 1 to SB2147

**Cooper
Signature of Sponsor**

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Date _____

Time _____

Clerk _____

Comm. Amdt. _____

AMEND Senate Bill No. 2147*

House Bill No. 2326

by deleting sections 1, 2 and 3, adding the following new section and renumbering the remaining section accordingly:

SECTION 1. Tennessee Code Annotated, Title 71, Chapter 1, Part 1, is amended by adding the following as a new section to be appropriately designated.

Section 71-1-1. (a) It is the intent of the general assembly to stabilize the TennCare healthcare provider network and to work diligently to assure that healthcare facilities providing services to both urban and rural TennCare enrollees remain viable entities.

(b) The State of Tennessee shall establish a special account in the general fund designated as the "TennCare Hospital Reserve Fund." This fund shall be established to recognize in part the uncompensated losses of Tennessee's public hospitals. This fund shall be utilized exclusively to furnish direct reimbursement to hospitals that provide an above average amount of charity and TennCare healthcare services as defined in this section. Any amounts placed in the fund shall be distributed, in accordance with the provisions of the general appropriations bill, on an annual basis to reimburse the following classes of hospitals for the provision of uncompensated healthcare services:

(1) Acute care hospitals that treat TennCare enrollees and provide essential, unduplicated services, such as state designated regional perinatal services, Level I trauma, or specialized pediatric services, to a multi-county region of the State of Tennessee. These hospitals shall be referred to as "essential services safety net hospitals".

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(2) Public, sole community, small and/or rural hospitals that provide healthcare services to TennCare enrollees. These hospitals shall be referred to as "essential access hospitals".

(3) Other acute care hospitals that provide disproportionate amounts of unreimbursed TennCare services. These hospitals shall be referred to as "disproportionate share hospitals".

An independent contractor selected and retained by the state comptroller shall recommend the methodology governing the distribution of the fund, which distribution shall occur on an annual basis. The contractor shall recommend the amount of distribution among the three classes of qualifying hospitals, and shall recommend the threshold levels of charity care and TennCare services provided by a qualifying hospital that will determine the amount of the distribution the qualifying hospital will receive from the fund. The state comptroller shall review and revise, if necessary, the recommendations of the contractor and shall present such recommendations to the commissioner of finance and administration and the general assembly prior to January 1 of each fiscal year. The contractor's fee shall be paid from the proceeds of the fund prior to any distribution of the fund. Any amounts appropriated for this fund shall be distributed by no later than June 30 of each fiscal year.